

AMENDED IN ASSEMBLY APRIL 21, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2764

**Introduced by Committee on Natural Resources (Chesbro (Chair),
Grove (Vice Chair), Garcia, Muratsuchi, Skinner, Stone, and
Williams)**

March 27, 2014

An act to amend Section 126 of the Government Code, to amend Section 39512.5 of the Health and Safety Code, to amend Sections 6306 and 8750 of the Public Resources Code, and to amend Section 1 of Chapter 321 of the Statutes of 1961, relating to ~~state lands~~ public resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 2764, as amended, Committee on Natural Resources. ~~State Lands Commission.~~ *Public resources: State Lands Commission: State Air Resources Board.*

(1) Existing law establishes the State Lands Commission in the Natural Resources Agency and prescribes the functions and duties of the commission. Under current law, the State Lands Commission cedes concurrent criminal jurisdiction to the United States with regard to specified properties.

This bill would revise and recast these provisions and make technical and organizational changes.

(1)

(2) Existing law requires that every local trustee of granted public trust lands, as defined and except as provided, file with the State Lands Commission, on or before October 1 of each year, a detailed statement of all revenues and expenditures relating to its trust lands and trust

assets, as prescribed, including obligations incurred, but not yet paid, covering the fiscal year preceding the submission of the statement.

This bill instead would require the statement to be filed with the commission on or before December 31 of each year.

(2)

(3) The Lempert-Keene-Seastrand Oil Spill Prevention and Response Act generally requires the administrator for oil spill response, acting at the direction of the Governor, to implement activities relating to oil spill response, including emergency drills and preparedness, and oil spill containment and cleanup, and to represent the state in any coordinated response efforts with the federal government. Existing law imposes various administrative civil and criminal penalties on a person that violates specified provisions of the act. The act, for purposes of specified provisions primarily under the jurisdiction of the State Lands Commission, defines marine waters to exclude waters in the Sacramento-San Joaquin Rivers and Delta, as specified.

This bill would no longer exclude from the definition of marine waters for this purpose the waters in the Sacramento-San Joaquin Rivers and Delta and would further revise the definition of marine waters to include waterways used for waterborne commercial vessel traffic to the Port of Sacramento and the Port of Stockton. By expanding the scope of crimes within the act, this bill would impose a state-mandated local program.

(4) Existing law authorizes a grant in the form of a trust of specified tidelands and submerged lands to the County of Orange, subject to certain restrictions, including that the lands remain available for public use.

This bill would modify the terms of the grant to change the conditions for expenditures by the trust and to permit the trustee to acquire additional property in order to further the purposes of the trust, if specific conditions are met.

(5) Existing law establishes the State Air Resources Board, which is responsible for control of emissions from motor vehicles and is designated the air pollution control agency for all purposes set forth in federal law. Existing law requires the state board to consist of 12 members, who are appointed based on certain qualifications. Existing law provides for the compensation of those members.

This bill would correct an erroneous cross-reference to clarify that certain members of the state board are prohibited from receiving compensation for serving on the state board, but are required to be reimbursed for their actual and necessary expenses, as specified.

(3)

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 126 of the Government Code is amended
2 to read:

3 126. (a) Notwithstanding any other provision of law, general
4 or special, the Legislature of ~~California~~ *California, acting through*
5 *the State Lands Commission*, hereby cedes concurrent criminal
6 jurisdiction to the United States within ~~land~~ *lands identified and*
7 held by the United States upon and subject to each and all of the
8 following express limitations, conditions, and reservations, in
9 addition to any other limitations, conditions, or reservations
10 prescribed by law:

11 ~~(a) The lands must be held by the United States for the erection~~
12 ~~of forts, magazines, arsenals, dockyards, and other needful~~
13 ~~buildings, or other public purpose within the purview of clause 17~~
14 ~~of Section 8 of Article I of the Constitution of the United States,~~
15 ~~or for the establishment, consolidation, and extension of national~~
16 ~~forests under the act of Congress approved March 1, 1911, (36~~
17 ~~Stat. 961) known as the "Weeks Act," or for any other federal~~
18 ~~purposes.~~

19 ~~(b) The cession must be pursuant to and in compliance with the~~
20 ~~laws of the United States.~~

21 ~~(c) The United States must in writing have requested the state~~
22 ~~to cede concurrent criminal jurisdiction within such land and~~
23 ~~subject to each and all of the conditions and reservations in this~~
24 ~~section and in Section 7 of Article X of the Constitution prescribed.~~

25 ~~(d) The State Lands Commission is authorized for the state to~~
26 ~~cede concurrent criminal jurisdiction to the United States, upon~~
27 ~~having found and declared that the conditions and reservations~~
28 ~~prescribed in subdivisions (a), (b), (c), and (g) have occurred and~~
29 ~~exist and that the cession is in the interest of the state. Certified~~

1 ~~copies of its orders or resolutions making these findings and~~
2 ~~declarations shall be recorded in the office of the county recorder~~
3 ~~of each county in which any part of the land is situated. The State~~
4 ~~Lands Commission shall keep copies of its orders or resolutions~~
5 ~~and make them available to the public upon request. The purposes~~
6 ~~for which concurrent criminal jurisdiction is ceded shall be~~
7 ~~specified in and made a part of the orders or resolutions.~~

8 ~~(e) Jurisdiction ceded pursuant to this section continues only so~~
9 ~~long as the land continues to belong to the United States and is~~
10 ~~held by it for the purpose for which jurisdiction is ceded in~~
11 ~~accordance and in compliance with each and all of the limitations,~~
12 ~~conditions, and reservations in this section prescribed, or for five~~
13 ~~years, whichever period is less.~~

14 ~~(f) “Land held by the United States”, as used in this section~~
15 ~~means: (1) lands acquired in fee by purchase or condemnation, (2)~~
16 ~~lands owned by the United States that are included in the military~~
17 ~~reservation by presidential proclamation or act of Congress, (3)~~
18 ~~leaseholds acquired by the United States over private lands or~~
19 ~~state-owned lands, and (4) any other lands owned by the United~~
20 ~~States including, but not limited to, public domain lands that are~~
21 ~~held for a public purpose.~~

22 ~~(g) In ceding concurrent criminal jurisdiction, the Legislature~~
23 ~~and the state reserve jurisdiction over the land, water, and use of~~
24 ~~water with full power to control and regulate the acquisition, use,~~
25 ~~control, and distribution of water with respect to the land affected~~
26 ~~by the cession.~~

27 ~~(h) In ceding concurrent criminal jurisdiction, the Legislature~~
28 ~~and the state except and reserve to the state all deposits of minerals,~~
29 ~~including oil and gas, in the land, and to the state, or persons~~
30 ~~authorized by the state, the right to prospect for, mine, and remove~~
31 ~~the deposits from the land.~~

32 ~~(i) Concurrent criminal jurisdiction shall vest when certified~~
33 ~~copies of the State Lands Commission’s orders or resolutions,~~
34 ~~making such finding or declaration, have been recorded in the~~
35 ~~office of the county recorder of each county in which any part of~~
36 ~~the land is situated.~~

37 ~~The finding and declaration of the State Lands Commission~~
38 ~~provided for in subdivision (d) shall be made only after a public~~
39 ~~hearing. Notice of the hearing shall be published pursuant to~~
40 ~~Section 6061 in each county in which the land or any part of the~~

1 land is situated and a copy of the notice shall be personally served
2 upon the clerk of the board of supervisors of each such county.
3 The State Lands Commission shall make rules and regulations
4 governing the conditions and procedure of the hearings, which
5 shall provide that the cost of publication and service of notice and
6 all other expenses incurred by the commission shall be borne by
7 the United States.

8 The provisions of this section do not apply to any land or water
9 areas heretofore or hereafter acquired by the United States for
10 migratory bird reservations in accordance with Sections 10680 to
11 10685, inclusive, of the Fish and Game Code.

12 (1) Before making a cession, the State Lands Commission shall
13 make the following findings:

14 (A) The United States has requested in writing the state to cede
15 concurrent criminal jurisdiction within the identified lands.

16 (B) The lands are held by the United States for the erection of
17 forts, magazines, arsenals, dockyards, and other needful buildings
18 within the purview of clause 17 of Section 8 of Article I of the
19 United States Constitution, or for any other federal purposes. For
20 purposes of this section, lands held by the United States are defined
21 as: (i) lands acquired in fee by purchase or condemnation, (ii)
22 lands owned by the United States that are included in the military
23 reservation by presidential proclamation or act of Congress, (iii)
24 any other lands owned by the United States, including, but not
25 limited to, public domain lands that are held for a public purpose,
26 and (iv) leaseholds acquired by the United States over private
27 lands or state-owned lands that are held for a public purpose.

28 (C) The cession is made pursuant to and in compliance with the
29 laws of the United States.

30 (D) A notice of the proposed cession has been given to the clerk
31 for the board of supervisors of the county in which the federal
32 lands are located at least 15 days prior to the proposed cession.

33 (E) The proposed cession is in the best interests of the State of
34 California.

35 (F) The United States has agreed to bear all costs and expenses
36 incurred by the State Lands Commission in making the cession.

37 (2) The cession shall continue only so long as the lands are
38 owned by the United States and used for the purposes for which
39 jurisdiction is ceded or for 10 years, whichever period is less.

(3) *The cession shall be made at a publicly noticed meeting of the State Lands Commission. The cession shall vest when the State Lands Commission has received notice of the United States' acceptance of the cession and certified copies of the State Lands Commission's orders or resolutions making the findings described in paragraph (1) have been recorded in the office of the county recorder of each county in which any part of the land is situated. The State Lands Commission shall keep copies of its orders or resolutions in its records and make them available to the public upon request.*

(b) *In ceding concurrent criminal jurisdiction, the Legislature and the state reserve jurisdiction over the land, water, and use of water with full power to control and regulate the acquisition, use, control, and distribution of water with respect to the land affected by the cession.*

SEC. 2. *Section 39512.5 of the Health and Safety Code is amended to read:*

39512.5. (a) With respect to the members appointed pursuant to subdivision-(e) (d) of Section 39510, those members shall serve without compensation but shall be reimbursed for actual and necessary expenses incurred in the performance of their duties to the extent that reimbursement for expenses is not otherwise provided or payable by another public agency or agencies. Each elected public official member of the state board shall receive one hundred dollars (\$100) for each day, or portion thereof, but not to exceed one thousand dollars (\$1,000) in any month, attending meetings of the state board or committees thereof, or upon authorization of the state board while on official business of the state board.

(b) Reimbursements made pursuant to subdivision (a) shall be made as follows:

(1) A member appointed from a district that is specifically named in subdivision-(e) (d) of Section 39510 shall be reimbursed by the district from which the person qualified for membership.

(2) The member appointed as a board member of a district that is not specifically named in subdivision-(e) (d) of Section 39510 shall be reimbursed by the state board.

SECTION 1.

SEC. 3. *Section 6306 of the Public Resources Code is amended to read:*

1 6306. (a) For purposes of this division, “local trustee of granted
2 public trust lands” means a county, city, or district, including a
3 water, sanitary, regional park, port, or harbor district, or any other
4 local, political, or corporate subdivision that has been granted,
5 conveyed, or transferred by statute, public trust lands, including
6 tidelands, submerged lands, or the beds of navigable waters,
7 through a legislative grant. A local trustee of granted public trust
8 lands is a trustee of state lands.

9 (b) Notwithstanding any other law, every local trustee of granted
10 public trust lands shall establish and maintain accounting
11 procedures, in accordance with generally accepted accounting
12 principles, providing accurate records of all revenues received
13 from the trust lands and trust assets and of all expenditures of those
14 revenues. If a trust grantee has several trust grants of adjacent lands
15 and operates the granted lands as a single integrated entity,
16 separation of accounting records for each trust grant is not required.

17 (c) All revenues received from trust lands and trust assets
18 administered or collected by a local trustee of granted public trust
19 lands shall be expended only for those uses and purposes consistent
20 with the public trust for commerce, navigation, and fisheries, and
21 the applicable statutory grant.

22 (d) All funds received or generated from trust lands or trust
23 assets shall be segregated in separate accounts from nontrust
24 received or generated funds.

25 (e) (1) Unless otherwise prescribed by an applicable statutory
26 grant, on or before December 31 of each year, each local trustee
27 of granted public trust lands shall file with the commission a
28 detailed statement of all revenues and expenditures relating to its
29 trust lands and trust assets, including obligations incurred but not
30 yet paid, covering the fiscal year preceding submission of the
31 statement.

32 (2) The statement shall be prepared in accordance with generally
33 accepted accounting principles and may take the form of an annual
34 audit prepared by or for the local trustee of granted public trust
35 lands.

36 (3) (A) The detailed statement shall be submitted along with a
37 standardized reporting form developed by the commission.

38 (B) The commission shall use an existing reporting form
39 previously developed for purposes of this paragraph, if a finding
40 is made by the commission that it is generally responsive to the

needs of the commission as prescribed in this section. Alternatively, the commission may develop a reporting form that requires a local trustee of granted public lands to report on all of the following:

(i) A summary of all funds received or generated from trust lands or trust assets.

(ii) A summary of all spending of funds received or generated from trust lands or trust assets.

(iii) Any other disposition of funds received or generated from trust lands or trust assets or of the trust lands or trust assets themselves.

(iv) A description of the manner in which the statement required by this subdivision and accompanying the reporting form is organized.

(v) Any other information that the commission deems to be included in an accounting of granted public trust lands.

(C) The adoption of the form by the commission pursuant to this subdivision is the prescription of a form for purposes of subdivision (c) of Section 11340.9 of the Government Code.

(4) All forms and supporting statements submitted pursuant to this section shall be public records and be made available on the commission's Internet Web site.

(f) (1) The costs that may be incurred by a local trustee of granted public trust lands that result from any new duties imposed upon that trustee pursuant to Chapter 206 of the Statutes of 2012, including the requirement to submit a standardized reporting form required by paragraph (3) of subdivision (e), shall be paid from the revenues derived from its granted public trust lands and assets specified in subdivision (b).

(2) If the revenues derived from the granted public trust lands and assets specified in subdivision (b) are not sufficient to pay the costs for the duties specified in paragraph (1), the commission shall exempt the local trustee of granted public trust lands from performing those duties for which the revenues are not sufficient, or grant a deadline extension from the performance of those duties until sufficient funds are available.

~~SEC. 2.~~

SEC. 4. Section 8750 of the Public Resources Code is amended to read:

8750. Unless the context requires otherwise, the following definitions govern the construction of this division:

1 (a) “Administrator” means the administrator for oil spill response
2 appointed by the Governor pursuant to Section 8670.4 of the
3 Government Code.

4 (b) “Barges” means any vessel that carries oil in commercial
5 quantities as cargo but is not equipped with a means of
6 self-propulsion.

7 (c) (1) “Best achievable protection” means the highest level of
8 protection that can be achieved through both the use of the best
9 achievable technology and those manpower levels, training
10 procedures, and operational methods that provide the greatest
11 degree of protection achievable. The administrator’s determination
12 of best achievable protection shall be guided by the critical need
13 to protect valuable coastal resources and marine waters, while also
14 considering (A) the protection provided by the measures, (B) the
15 technological achievability of the measures, and (C) the cost of
16 the measures.

17 (2) It is not the intent of the Legislature that the administrator
18 use a cost-benefit or cost-effectiveness analysis or any particular
19 method of analysis in determining which measures to require.
20 Instead, it is the intent of the Legislature that the administrator
21 give reasonable consideration to the protection provided by the
22 measures, the technological achievability of the measures, and the
23 cost of the measures when establishing the requirements to provide
24 the best achievable protection for coastal and marine resources.

25 (d) “Best achievable technology” means that technology that
26 provides the greatest degree of protection taking into consideration
27 (1) processes that are being developed, or could feasibly be
28 developed anywhere in the world, given overall reasonable
29 expenditures on research and development, and (2) processes that
30 are currently in use anywhere in the world. In determining what
31 is best achievable technology, the administrator shall consider the
32 effectiveness and engineering feasibility of the technology.

33 (e) “Commission” means the State Lands Commission.

34 (f) “Local government” means any chartered or general law
35 city, chartered or general law county, or any city and county.

36 (g) “Marine facility” means any facility of any kind, other than
37 a vessel, that is or was used for the purposes of exploring for,
38 drilling for, producing, storing, handling, transferring, processing,
39 refining, or transporting oil and is located in marine waters, or is
40 located where a discharge could impact marine waters unless the

1 facility (1) is subject to Chapter 6.67 (commencing with Section
2 25270) or Chapter 6.75 (commencing with Section 25299.10) of
3 Division 20 of the Health and Safety Code or (2) is placed on a
4 farm, nursery, logging site, or construction site and does not exceed
5 20,000 gallons in a single storage tank. For purposes of this
6 division, a drill ship, semisubmersible drilling platform, jack-up
7 type drilling rig, or any other floating or temporary drilling
8 platform is a “marine facility.” For purposes of this division, a
9 small craft refueling dock is not a “marine facility.”

10 (h) “Marine terminal” means any marine facility used for
11 transferring oil to or from tankers or barges. For purposes of this
12 section, a marine terminal includes all piping not integrally
13 connected to a tank facility as defined in subdivision (n) of Section
14 25270.2 of the Health and Safety Code.

15 (i) “Marine waters” means those waters subject to tidal influence
16 and includes waterways used for waterborne commercial vessel
17 traffic to the Port of Sacramento and the Port of Stockton.

18 (j) “Nonpersistent oil” means a petroleum-based oil, such as
19 gasoline, diesel, or jet fuel, that evaporates relatively quickly.
20 Specifically, it is an oil with hydrocarbon fractions, at least 50
21 percent of which, by volume, distills at a temperature of 645
22 degrees Fahrenheit, and at least 95 percent of which, by volume,
23 distills at a temperature of 700 degrees Fahrenheit.

24 (k) “Oil” means any kind of petroleum, liquid hydrocarbons,
25 or petroleum products or any fraction or residues therefrom,
26 including, but not limited to, crude oil, bunker fuel, gasoline, diesel
27 fuel, aviation fuel, oil sludge, oil refuse, oil mixed with waste, and
28 liquid distillates from unprocessed natural gas.

29 (l) “Onshore facility” means any facility of any kind that is
30 located entirely on lands not covered by marine waters.

31 (m) “Operator” when used in connection with vessels, marine
32 terminals, pipelines, or facilities, means any person or entity that
33 owns, has an ownership interest in, charters, leases, rents, operates,
34 participates in the operation of or uses that vessel, terminal,
35 pipeline, or facility. “Operator” does not include any entity that
36 owns the land underlying the facility or the facility itself, where
37 the entity is not involved in the operations of the facility.

38 (n) “Person” means an individual, trust, firm, joint stock
39 company, or corporation, including, but not limited to, a
40 government corporation, partnership, limited liability company,

1 and association. "Person" also includes any city, county, city and
2 county, district, and the state or any department or agency thereof,
3 and the federal government, or any department or agency thereof,
4 to the extent permitted by law.

5 (o) "Pipeline" means any pipeline used at any time to transport
6 oil.

7 (p) "Responsible party" or "party responsible" means either of
8 the following:

9 (1) The owner or transporter of oil or a person or entity accepting
10 responsibility for the oil.

11 (2) The owner, operator, or lessee of, or person who charters
12 by demise, any vessel or marine facility or a person or entity
13 accepting responsibility for the vessel or marine facility.

14 (q) "Small craft refueling dock" means a fixed facility having
15 tank storage capacity not exceeding 20,000 gallons in any single
16 storage tank and that dispenses nonpersistent oil to small craft.

17 (r) "Spill" or "discharge" means any release of at least one barrel
18 (42 gallons) of oil not authorized by any federal, state, or local
19 government entity.

20 (s) "State oil spill contingency plan" means the California oil
21 spill contingency plan prepared pursuant to Article 3.5
22 (commencing with Section 8574.1) of Chapter 7 of Division 1 of
23 Title 2 of the Government Code.

24 (t) "Tanker" means any self-propelled, waterborne vessel,
25 constructed or adapted for the carriage of oil in bulk or in
26 commercial quantities as cargo.

27 (u) "Vessel" means a tanker or barge as defined in this section.

28 *SEC. 5. Section 1 of Chapter 321 of the Statutes of 1961 is*
29 *amended to read:*

30 Section 1. There is hereby granted to the County of Orange
31 and to its successors all of the right, title and interest of the State
32 of California held by ~~said State~~ *the state* by virtue of its sovereignty
33 in and to all that portion of the tidelands and submerged lands of
34 the Pacific Ocean within the County of Orange, State of California,
35 in the following area:

36 Commencing at the intersection of the westerly line of fractional
37 Section 22, Township 8 South, Range 8 West, San Bernardino
38 Base and Meridian with the line of Mean High Tide of the Pacific
39 Ocean from which point said westerly Section line bears North 0°
40 07' East; thence South 45° 00' East to the point of intersection with

1 a line parallel to and five thousand seven hundred and fifty feet
2 (5,750 ft.) southerly of the northerly line of said fractional Section
3 22; thence easterly along said last mentioned parallel line, 5,750
4 feet southerly of the northerly line of Section 22, and the easterly
5 prolongation of said parallel line to the point of intersection with
6 a meridian line passing through the intersection of the westerly
7 line of Rancho Boca de la Playa as said line is established and
8 shown on a map recorded in Book 4, Pages 118 and 119 of Patents,
9 Records of Los Angeles County, June 29, 1887 and the line of
10 Mean High Tide of the Pacific Ocean; thence northerly along said
11 meridian line to the intersection with the line of Mean High Tide
12 of the Pacific Ocean; thence westerly along said line of Mean High
13 Tide to the point of beginning, the same to be forever held by ~~said~~
14 *the* county and by its successors in trust for the uses and purposes
15 and upon the express conditions following, to wit:

16 (a) That ~~said these~~ lands shall be used by ~~said the~~ county, and
17 its successors, only for the establishment, improvement and conduct
18 of a harbor, and for the construction, ~~maintenance~~ *maintenance*,
19 and operation thereon of wharves, docks, piers, slips, ~~quays~~ *quays*,
20 and other utilities, structures, ~~facilities~~ *facilities*, and appliances
21 necessary or convenient for the promotion and accommodation of
22 commerce and navigation, and for recreational use, public park,
23 parking, highway, playground, and business incidental thereto;
24 and ~~said the~~ county, or its successors, shall not, at any time, grant,
25 convey, ~~give~~ *give*, or alien ~~said these~~ lands, or any part thereof, to
26 any individual, firm or corporation for any purposes whatever;
27 provided, that ~~said the~~ county, or its successors, may grant
28 franchises thereon for limited periods (but in no event exceeding
29 50 years), for wharves and other public uses and purposes and may
30 lease ~~said these~~ lands, or any part thereof, for limited periods (but
31 in no event exceeding 50 years), for purposes consistent with the
32 trust upon which ~~said these~~ lands are held by the State of
33 California, and with the requirements of commerce and navigation
34 at ~~said the~~ harbor, and collect and retain rents from ~~such these~~
35 leases.

36 (b) That ~~said these~~ lands shall be improved by ~~said the~~ county
37 without expense to the ~~State~~, *state*, and shall always remain
38 available for public use for all purposes of commerce and
39 navigation, and the State of California shall have at all times, the
40 right to use, without charge, all wharves, docks, piers, slips, quays,

1 and other improvements and facilities constructed on ~~said these~~
2 lands, or any part thereof, for any vessel or other water or aircraft,
3 or railroad, owned or operated by the State of California.

4 (c) That in the management, conduct, or operation of ~~said the~~
5 harbor, or of any of the utilities, structures, ~~appliances~~ *appliances*,
6 or facilities mentioned in ~~paragraph subdivision~~ *subdivision* (a), no
7 discrimination in rates, tolls, or charges or in facilities for any use
8 or service in connection therewith shall ever be made, ~~authorized~~
9 *authorized*, or permitted by ~~said the~~ county or its successors.

10 (d) There is hereby reserved, however, in the people of the State
11 of California the absolute right to fish in the waters of ~~said the~~
12 harbor with the right of convenient access to ~~said the~~ waters over
13 ~~said these~~ lands for ~~said these~~ purposes.

14 (e) There is hereby excepted and reserved to the State of
15 California all deposits of minerals, including oil and gas, in ~~said~~
16 *the* land, and to the State of California, or persons authorized by
17 the State of California, the right to prospect for, mine, and remove
18 ~~such~~ deposits from ~~said the~~ land.

19 (f) The lands herein described are granted subject to the express
20 reservation and condition that the ~~State~~ *state* may at any time in
21 the future use ~~said these~~ lands or any portion thereof for highway
22 purposes without compensation to the county, its successors or
23 assigns, or any person, ~~firm~~ *firm*, or public or private corporation
24 claiming under it, except that in the event improvements have been
25 placed upon the property taken by the ~~State~~ *state* for ~~said these~~
26 purposes, compensation shall be made to the person entitled thereto
27 for the value of his *or her* interest in the improvements taken or
28 the damages to ~~such the~~ interest.

29 (g) That within 10 years from the effective date of this act ~~said~~
30 *these* lands shall be substantially improved by ~~said the~~ county
31 without expense to the ~~State~~, *state*, and if the State Lands
32 Commission determines that the county has failed to improve ~~said~~
33 *these* lands as herein required, all right, title, and interest of ~~said~~
34 *the* county in and to all lands granted by this act shall cease and
35 ~~said these~~ lands shall revert and vest in the ~~State~~ *state*.

36 (h) (1) *That any funds derived from the management, conduct,*
37 *or operation of the lands described in this section shall be used*
38 *within the geographic boundary of the lands for purposes*
39 *consistent with subdivision (a).*

1 (2) Notwithstanding paragraph (1), funds derived from the
2 management, conduct, or operation of these lands may also be
3 expended on state-owned tidelands and submerged lands, outside
4 the geographic boundary of these lands within the County of
5 Orange and southeasterly of the southern city limits of the City of
6 Laguna Beach, to fund the portion of the Dana Point Branch of
7 the Orange County Harbor Patrol that provides direct protection
8 for public health, safety, and security relating to navigation and
9 other public trust uses on state-owned tidelands and submerged
10 lands.

11 (i) (1) Notwithstanding subdivision (h), any funds derived from
12 the management, conduct, or operation of the lands described in
13 this section may be used to purchase, lease, or otherwise acquire
14 real property necessary for or incidental to the development and
15 operation of a harbor and that property shall be held as an asset
16 of the trust and used for purposes consistent with the trust grant.

17 (2) If the real property that is proposed to be purchased, leased,
18 or acquired is adjacent to the geographic boundary of the lands,
19 the county, or its successors, shall give written notice of the
20 proposed expenditure to the State Lands Commission at least 90
21 days before purchasing, leasing, or acquiring the real property in
22 excess of one hundred thousand dollars (\$100,000), but not more
23 than five hundred thousand dollars (\$500,000). Expenditures in
24 excess of five hundred thousand dollars (\$500,000) for real
25 property adjacent to the geographic boundary of those lands shall
26 not be made unless the State Lands Commission approves the
27 expenditure pursuant to Chapter 2 (commencing with Section
28 6701) of Part 2 of Division 6 of the Public Resources Code. For
29 the purpose of this subdivision, “adjacent” means adjoining or
30 separated by a street or road.

31 (3) If the real property that is proposed to be purchased, leased,
32 or acquired is not adjacent to the geographic boundary of the
33 lands, the county, or its successors, shall give written notice of the
34 proposed expenditure to the State Lands Commission at least 90
35 days before purchasing, leasing, or acquiring the real property
36 not to exceed fifty thousand dollars (\$50,000). Expenditures in
37 excess of fifty thousand dollars (\$50,000) for real property not
38 adjacent to the geographic boundary of those lands may not be
39 made unless the State Lands Commission approves the expenditure

1 *pursuant to Chapter 2 (commencing with Section 6701) of Part 2*
2 *of Division 6 of the Public Resources Code.*

3 *(4) The notice required in paragraphs (2) and (3) shall include*
4 *the total proposed expenditure from the tideland's trust, the*
5 *location of the real property, the purpose of the purchase,*
6 *acquisition, or lease, and an explanation of how the purchase,*
7 *acquisition, or lease is consistent with the terms of the trust grant.*

8 ~~SEC. 3.~~

9 *SEC. 6.* No reimbursement is required by this act pursuant to
10 Section 6 of Article XIII B of the California Constitution because
11 the only costs that may be incurred by a local agency or school
12 district will be incurred because this act creates a new crime or
13 infraction, eliminates a crime or infraction, or changes the penalty
14 for a crime or infraction, within the meaning of Section 17556 of
15 the Government Code, or changes the definition of a crime within
16 the meaning of Section 6 of Article XIII B of the California
17 Constitution.